

## Beyond Giving and Getting: The Board's Role in Fundraising by Suzanne M. Kearney, Executive Director

**D**evelopment and specifically fundraising are extremely important to the financial viability of many of our sponsored ministries. There is an intrinsic link between the boards and the provision of funds to fulfill the missions of our ministries. This article will explore the link between governance and fundraising. Next month we will focus attention on the role of the Development Committee.

Many board members are quite uncomfortable when the subject of fundraising surfaces. There is a reluctance on the part of many board members to take responsibility for fundraising. Three reasons generally emerge: (1) they don't understand the importance of taking a leadership role in fundraising, (2) they are afraid to ask for money, and (3) they think it is the staff's job to fundraise.

First, board members must take a leadership role in fundraising because they own the organization. Furthermore, benefactors and potential benefactors see board members as the people most committed to the organization. Why should anyone else give if they are not giving? Second, asking for donations is a skill and can be learned. True motivation springs from involvement in the life and mission of the organization. Believing in the mission and knowing the needs of the ministry are key to getting donations. Finally, staff members have their own role to fulfill and ordinarily do not maintain the kind of peer relationships with prospective donors that are so crucial to effective fundraising.

### Linking Governance and Fundraising

A local board's key role is effective governance and ensuring the success of the ministry's mission. This means taking responsibility for and ownership of identifying and developing the necessary resources to fulfill the mission. If this is true, then it is every board member's responsibility to support and sustain the ministry.

Since fundraising is essentially the presentation of a sponsored ministry's mission in the form of a fundraising appeal, the local board's role in formulating, clarifying and updating the mission, vision and strategic plan is inseparable from the organization's fundraising endeavors.

### Role of the Board

Fundraising is an organization-wide task in which the board must take a leadership role. The board alone is ultimately responsible for attracting funding resources to ensure the financial viability of the ministry and its programs. Each board must define its role in fundraising; and board members must accept their fundraising responsibilities. This leadership role

in fundraising on the board's part is typically played out each year in the following ways.

#### 1. Fiscal Oversight

When a local board approves a ministry's budget for the coming fiscal year, it also approves income projections that include development revenue. Therefore the first step a board takes in fundraising for a given year is the commitment to secure the funding. To do less is fiscally irresponsible.

#### 2. Planning

Once the board makes this commitment, it must have a concrete development plan to meet these funding requirements. The Development Committee and staff generally generate the development plan for approval by the board.

Our local boards usually delegate implementation of the fundraising plan to the Development Committee which makes regular progress reports to the full board. The Committee and development staff then match funding methods to organization needs, analyze cost:benefit on fundraising activities, and identify targets for improvement each year to ensure the effectiveness of their efforts.

#### 3. Personal Funds

The board however continues to have an active role in the implementation of the fundraising efforts. Every board member contributes to the organization, regardless of the amount. It is an important fundraising strategy for a board to be able to claim 100% of its members have given and that board members give generously (contributions targeted to represent X% of the total fundraising goal). The act of making a case for why someone else should give to our ministries is strengthened by our own personal financial commitment.

#### 4. Fundraising Groundwork

Once the development plan is set and board members personally fund some meaningful portion of the ministry's need, board members should be involved in fundraising groundwork each year. The list of potential fundraising tasks for board members is endless, everything from providing names for an invitation list for a special event to writing personal thank you notes to individual donors to personal contacts/face-to-face meetings with potential benefactors.

Board members should be involved in developing the case statement, which is the rationale for supporting the organization, and be able to explain the case persuasively to

prospective donors.

Every board member can do something useful to support the fundraising effort, employing her/his own skills and interests. Prospecting is a critical board fundraising task. The purpose is to bring prospects to the organization. When the board recruits new members, it ought to intentionally look for people who are very well connected and can identify others who would be willing and able to contribute to the ministry.

## 5. Oversight

Oversight in fundraising includes constant monitoring of the fundraising activities of the ministry in relation to the income projections made at the beginning of the fiscal year. The board must assess quarterly the ability of the ministry to meet its projections by year's end. Regular assessments allow the board the opportunity to adjust its efforts in particular areas along the way.

### Board and Staff Partnership

Most of our sponsored ministries have development staff members. Board and staff must form a partnership to secure the necessary funds required for the financial viability of the ministry. The following table depicts a reasonable "division" of labor in the different roles they play. It is fairly obvious that board members have a very active role in fundraising.

### Evaluating the Fundraising Program

A local board should occasionally undertake an internal assessment of its fundraising program and readiness to embark on new development ventures. This is called a development audit. It looks at involvement of board, staff and volunteers in the fundraising process and offers recommendations on how to best use the human resources available to the ministry.

It further evaluates the strengths and weaknesses of the ministry's development systems, including fundraising software. The audit also offers suggestions to help improve donor communications and stewardship.

Our ministries might consider a development audit when we are:

- Preparing to embark on a major gifts, capital or endowment campaign
- Not satisfied with the results of our annual giving program

- Seeking to increase board participation in fundraising efforts
- Attempting to compare our results with similar organizations
- Looking for an objective evaluation of our development program
- Trying to diversify our funding streams
- Engaging in a strategic planning process
- Looking at hiring staff or restructuring our Development Office
- Seeking to bring our program to a higher level of professionalism

In most cases the audit is done by a consultant in order to gain both objectivity and utilize the knowledge and years of experience the consultant will bring to the table. The Chair of the board signs off on the goals for the audit. The consultant is accountable to the Chair of the board or Development Committee to prepare a formal written report for the board. The consultant generally makes several visits to the ministry to meet with key staff, board members and volunteers.

The staff, while not involved directly in the evaluation process, will need to devote time to the process by completing audit questionnaires, providing supporting documentation and meeting with the consultant to clarify information.

The board usually completes questionnaires, participates in interviews with the consultant and receives the audit report.

### Major components of the audit report include:

#### 1. The Ministry's Readiness For Fundraising.

Does it have 501(c) 3 status?

To whom is the Development Office accountable?

Does the ministry have a strategic plan with a development plan?

Are there gift acceptance policies in place?

Is there a written organizational case for support and case statements to support various fundraising needs?

#### 2. The Board's Role in Fundraising

Is the board diverse and does it have appropriate mix of skills and talents?

Is the board actively involved in fundraising and do board members support the organization financially?

Is there a Development Committee or other volunteers involved in the fundraising program?

### 3. The Role of Staff

Is there adequate staff, doing the right jobs with the right tools?

Does the Development Office have the time and skills to perform all development functions?

Is there a commitment to professionalism in the Development Office?

Is the CEO involved in fundraising and does s/he communicate regularly with the Development Office?

### 4. Systems and Procedures

Is there an adequate donor software program in place and is staff trained to use the program?

Are there procedures in place to receive, record and acknowledge gifts?

Is there adequate hardware to support development systems and programs?

Does staff use technology to improve donor relations?

### 5. Cultivation and Stewardship

Are there adequate time and resources committed to donor/prospect research?

Is there a program in place to build donor relationships?

How does the ministry communicate with its various publics?

Are donors thanked in a timely manner?

Is there adequate donor recognition given?

### 6. The Integrated Development Program

Does the ministry rely too heavily on one source of funding or is there a plan in place to develop funding from various sources?

Once the development audit is complete, the report should be used to develop a multi-year strategic plan for development, addressing the areas raised as issues needing improvement in the audit.

## Conclusion

Having a Development Committee and development staff members does not shift the responsibility away from the local board to raise the money necessary to fund the ministry. They are enlisted to assist the board in fulfilling its duty. This may surprise many board members who approve a budget, hire a development officer, write a check and think they only have to monitor development efforts from then on. As board members, we can do much to deepen our understanding of our fundraising responsibilities and expand

our involvement in these efforts.

1. Recruit new board members effectively, stating expectations about member participation in fundraising up front orally in the interview and in writing in the board member job description.
2. Identify specifically, within reason, what and how much funding is required over the next three to five years to implement the strategic plan.
3. Provide concrete opportunities for all board members to get actively involved in fundraising and provide training to make them comfortable in this role.
4. Make development a successful part of every board member's responsibility that is recognized and celebrated often.

## Fundraising's Immutable Laws

No one is waiting to give.

Fundraising is a conversation between funded and funder.

Effective fundraising is a result of telling your story.

People give to people.

Someone must ask for the money.

An organization cannot thank a donor enough.

Seek investments, not gifts.

Donors are developed, not born.

Fundraising out of desperation is futile.

In the end people will do what they want.